

WINTER 2011

NEWSLETTER OF THE SOUTHEASTERN POWER ADMINISTRATION

CALENDAR OF EVENTS



SERC SOS Meeting

February 9-10, 2011 Charlotte, NC

APPA Legislative Rally

February 28-March 3, 2011 Washington, DC

NRECA Annual Meeting

March 7-9, 2011 Orlando. FL

APPA Engineering and Operations Technical Conference

March 20-23, 2011 Nashville, TN

DOE Information Management Conference

March 21-25, 2011 Las Vegas, NV

SERC Compliance Seminar #1

April 5-6, 2011 Charlotte, NC

SERC Compliance Seminar #2

April 12-13, 2011 New Orleans, LA

System Operator Conference #1

April 19-21, 2011 Charlotte, NC



New Employees at Southeastern

Southeastern continues to hire new employees to fill vacancies in the agency and to advertise positions that need filling. The most recent employee to join Southeastern's staff is

Fatima Ahmed: Civil Engineer (Hydraulics),
Power Resources Division

Kerr-Philpott System Rate Annual True-Up

The rate schedules for the Kerr-Philpott System include a true-up for capital improvements to the projects and a true-up adjustment for net revenue available for repayment. The true-up adjustments take effect on April 1 of each year. The capital improvements true-up for FY 2010 is an increase of \$0.17 per kilowatt-month to the base rate for capacity and an increase of 0.68 mills per kilowatt-hour to the base rate for energy. The true-up adjustment for net revenue available for repayment is an increase of \$0.08 per kilowatt-month for capacity and an increase of 0.40 mills per kilowatt-hour for energy. The rates that will be effective April 1, 2011 are as follows:

Capacity: \$3.90 per kilowatt per month Energy: 15.71 mills per kilowatt-hour

Jim Woodruff System Rate Adjustment

Southeastern is planning to propose a rate adjustment for the Jim Woodruff System in FY 2011. The proposed rate schedule will include a pass-through for purchased power expense. Southeastern expects to propose the new rate schedules to be in effect for a five-year period from September 20, 2011 up to September 19, 2016. The tentative schedule for a public information and comment forum for the proposed rate schedules is March 29, 2011, which requires notice of proposed rates to be published no later than February 25, 2011.

Cumberland System Rate Adjustment

Southeastern is planning to propose a rate adjustment for the Cumberland System in FY 2011.

Southeastern expects to propose the new rate schedules will be effective for a two-year period from October 1, 2011 up to September 30, 2013. The tentative schedule for a public information and comment forum for the proposed rate schedules is May 3, 2011, which requires notice of proposed rates to be published no later than April 1, 2011.

Energy Efficiency and Renewable Energy Program

In the past few months, Southeastern co-sponsored several energy efficiency and rewnewable energy programs for its customers. An "Energy Audit" and a "Key Accounts" workshop was conducted at ElectriCities of North Carolina in September 2010. Southeastern's Energy Efficiency and Renewable Energy Program is looking to co-sponsor future workshops



US Army Corps of Engineers.

Commander/Chief of Engineers:

Lt. General Robert L. Van Antwerp phone: (202) 761-0001

South Atlantic Division Engineer:

Brig. General Todd T. Semonite phone: (404) 562-5005

Savannah District Engineer:

Colonel Jeffrey M. Hall phone: (912) 652-5226

Mobile District Engineer:

Colonel Steven Roemhildt phone: (334) 690-2511

Wilmington District Engineer:

Colonel Jefferson M. Ryscavage phone: (910) 251-4501

Charleston District Engineer:

Lt. Colonel Jason A. Kirk phone: (843) 329-8000

Great Lakes/Ohio River Division Engineer:

Major General John W. Peabody phone: (513) 684-3010

Nashville District Engineer:

Lt. Colonel Anthony P. Mitchell phone: (615) 736-5626

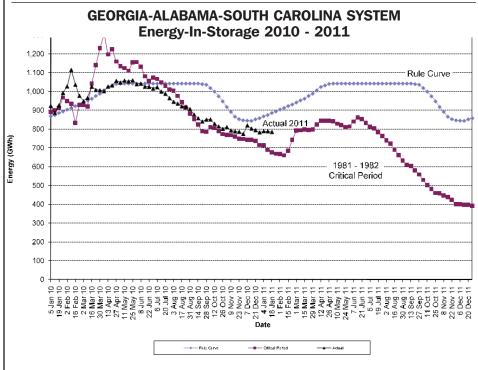
Huntington District Engineer:

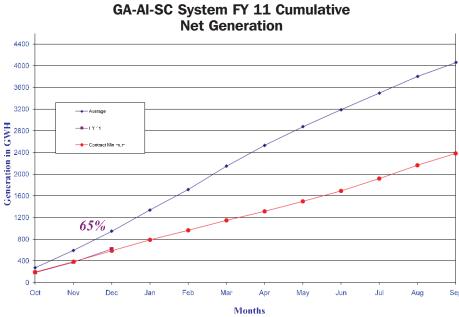
Colonel Robert D. Peterson phone: (304) 399-5395

for customers. The agency is currently accepting applications for financial assistance to provide educational oportunities for cooperative and municipal utility employees. Anyone interested in the workshops or educational opportunities should contact Jesse Marsden, 706.213.3863 or jesus.marsden@sepa.doe.gov.

On-Line Payment Options Available

Southeastern is pleased to offer on-line payment options for customers' monthly power bill payments. Pay.gov is a secure, Government-wide financial management transaction portal managed by the U.S. Department of Treasury's Financial Management Service. This portal is maintained for Southeastern by the Cleveland Federal Reserve Bank and is free of charge to use. Southeastern encourages all customers to consider this payment option. For questions or more information regarding Pay.gov, please call Greg Hall at 706.213.3849 (greg.hall@sepa.doe.gov).





PLANT AVAILABILITY/CAPACITY UPDATE: OCT. 2010 - JAN. 2011

GA-AL-SC System Update

Allatoona (35MW):

- Unit #1 out of service due to transformer failure
- Transformer due to be on-site by Fall 2011
- Unit expected to return to service by Summer 2011

George Rehab (42 MW):

- Rehab work on Unit #4 completed on 12/13/10
- Unit #1 outage followed the return of Unit #4 in order to permit enhanced cavitation protection overlay welding on runner blades
- Estimated return to service mid-February 2011

West Point (42 MW):

- Unit #1 (3 MW) and Unit #2 (42 MW) are both unavailable for head gait painting and refurbishment
- Estimated return date for both units is the end of February 2011
- Unit #3 will follow

Hartwell:

- Unit #5 out due to rotor rim and spider problems (Customer-funded work item)
- Work continues on a solution for issues
- Return to service date is expected in May 2011
- Unit #3 (85 MW) experienced a stator failure on August 12, 2010 (Customer-funded work item)
- The plan it to repair the damaged coils
- Expected return to service is by the end of May 2011

Russell #5, 6, 8 (249 MW):

- COE in the process of preparing a plan for implementation of the initial recommendations to resolve vibration issues
- Currently, Unit #5 is declared available
- Unit #6 is out for intake gate work and painting
- Unit #8 is out for MCB installation
- · Customer-funded work item

Thurmond #6, #6 (104 MW):

- Units out of service to replace the 115 KV cable from the transformer to the switchyard
- Estimated return to service is February 2011

Cumberland System Update

Customer-Funded Basin Study:

- Contractor for the Cumberland System Basin Study (MWH) continues work on the draft construction plan for the System
- PCC continues work on developing a long-term MOA

Wolf Creek Dam Safety Issue:

- Contractor is continuing with all phases of construction including directional drilling, pre-drilling, pile drilling, excavation, and concrete replacement
- Sub-contractor continues grouting the fan line at the left end of work platform
- Weekly Progress Report available online:
 - www.lrn.usace.army.mil/WolfCreek

Center Hill Dam Safety Issue:

- Grouting contract is physically complete
- Final fiscal closeout efforts underway
- Selection process continues for main dam barrier wall contract
- Information on Center Hill is available online: www.lrn.army.mil/CenterHill

Barkley Dam (plant outage - 140 MW):

- Unit #1 experienced a phase-tophase differential on December 19, 2010, resulting in CO2 discharge
- Following LRN procedures, Units #2 and #3 taken off-line and will remain unavailable while on-going inspections with Unit #1 occur
- Unit #4 previously declared unavailable because of a buss bar failure

Kerr-Philpott System Update

John H. Kerr (36MW):

• Unit #3 returned to service October 1, 2010

Customer-Funded Work Item:

- Replacement of high tension oil-filled Cable System –
 - Cable was purchased and delivered
 - COE in contract negotiations
 - Installation expected to begin in November 2010 and will take approximately 6 - 8 weeks per unit

Jim Woodruff System Update

Unit Control and SCADA Systems:

· All units are declared available

